MOVING MISSOURI FORWARD:
BUILDING A BETTER MISSOURI

OFFICE OF ADMINISTRATION
2013 ANNUAL REPORT

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Commissioner's Message

DOUG NELSON

Commissioner

TO THE GENERAL ASSEMBLY AND THE CITIZENS OF MISSOURI:

The Missouri Office of Administration, created by the General Assembly on January 15, 1973, combines and coordinates the central management functions of state government as clarified and amended by the Omnibus State Reorganization Act of 1974.

Over the past several years, we have assembled a team of highly-motivated professionals. Our senior management staff represents an array of professionalism, talent, experience and diversity that embodies the spirit of our state.

Moving Missouri Forward.

The 2013 Annual Report highlights the immediate accomplishments and challenges of the Office of Administration. Our summary will show how our organization operates, functions and communicates to ultimately carry out the agency's duties and responsibilities on behalf of the citizens of Missouri.

As we reflect on the last year, we are proud of the successes we have achieved. We are also empowered; knowing there is still much to be done, and we have the necessary team members and ambition to succeed in our continued efforts.

I look forward to working with you on the important projects and initiatives that are before us. Together, we will keep building a better Missouri.

Sincerely,

Douglas E. Nelson
Commissioner of Administration

What is the Office of Administration?

The Office of Administration (OA) combines and coordinates the central management functions of state government. OA provides services for state agencies and serves as the state's administrative office. The core functions provided by OA include:

- Administering the state budget and accounting activities for the state.

- Administering the human resources system and providing HR services.

- Coordinating information technology services and telecommunications for state agencies.

- Providing and maintaining office and other space for governmental operations and protecting the state's investments in property assets.

- Procuring supplies, materials, equipment and services for state agencies.

- Managing the state transportation fleet, vehicle maintenance, state printing, risk management and central mail services.

Statutory reference: Chapter 37 (Created by General Assembly on 1/15/73; responsibilities were clarified & amended by the Omnibus State Reorganization Act of 1974).

OA Divisions:
1. Accounting
2. Budget & Planning
3. Facilities Management, Design & Construction
4. General Services
5. Information Technology Services
6. Personnel
7. Purchasing & Materials Management

Commissioner's Office

DOUG NELSON

Commissioner

RENEE SLUSHER

Deputy Commissioner/
General Counsel

WALTER PEARSON

Assistant
Commissioner

BARB SHIMMENS

Special
Assistant

BRETT BERRI

Legislative
Liaison

RYAN BURNS

Public Information
Officer

WANDA SEENEY

Community Outreach &
Marketing Director

KRISTEN PAULSMEYER

Legal Counsel

AARON HART

Human Resources
Director

GERRI HOWARD

Budget Officer

SHERRECE SMITH

Executive
Assistant

SARA VANDERFELTZ

Administrative
Assistant

KRISTEN PAULSMEYER

Legal Counsel

SARA VANDERFELTZ

Administrative Assistant

DOUG NELSON

SHERRECE SMITH

Executive Assistant

RENEE SLUSHER
Deputy Commissioner/ General Counsel

BRETT BERRI

Legislative Liaison

BARB SHIMMENS

Special Assistant to the Commissioner

AARON HART

Human Resources Director

WALTER PEARSON

Assistant Commissioner

RYAN BURNS

Public Information Officer

WANDA SEENEY
Community Outreach & Marketing Director

GERRI HOWARD

Budget Officer

CELESTE METCALFE

Director of OEO

Office of Administration Organizational Chart

Director's Office

DOUG NELSON

Commissioner

STACY NEAL

Accounting

LINDA LUEBBERING

Budget & Planning

CATHY BROWN

Facilities Management,
Design and Construction
(FMDC)

MARK S. KAISER

General
Services

TIM ROBYN

Information Technology
Services Division
(ITSD)

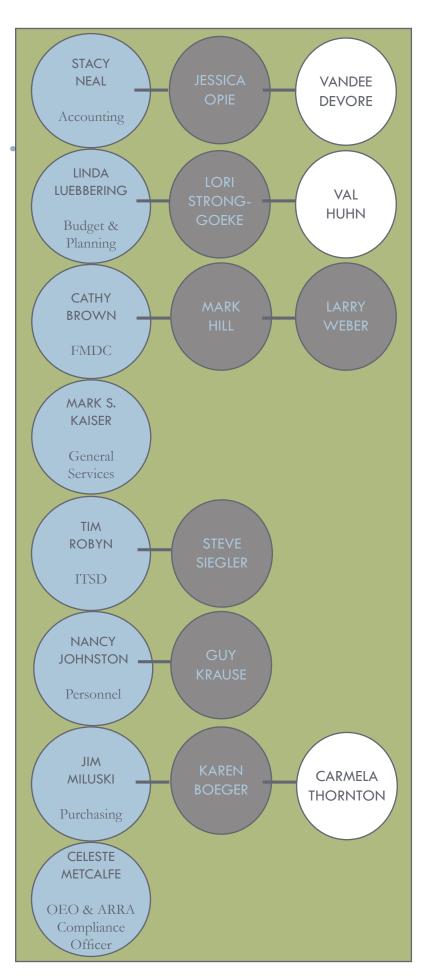**NANCY JOHNSTON**

Personnel

JIM MILUSKI

Purchasing

CELESTE METCALFE

Office of Equal
Opportunity & ARRA
Compliance Officer

DOUG NELSON

Director's Office Organizational Chart

STACY NEAL — Accounting — **JESSICA OPIE** — **VANDEE DEVORE**

LINDA LUEBBERING — Budget & Planning — **LORI STRONG-GOEKE** — **VAL HUHN**

CATHY BROWN — FMDC — **MARK HILL** — **LARRY WEBER**

MARK S. KAISER — General Services

TIM ROBYN — ITSD — **STEVE SIEGLER**

NANCY JOHNSTON — Personnel — **GUY KRAUSE**

JIM MILUSKI — Purchasing — **KAREN BOEGER** — **CARMELA THORNTON**

CELESTE METCALFE — OEO & ARRA Compliance Officer

Division of Accounting

ACCOMPLISHMENTS:

1. **Debt Restructuring** – In 2013, OA played an integral part in refinancing outstanding state bonds in order to take advantage of the historically low interest rates. These transactions resulted in savings to the state in the millions of dollars over the life of the debt. The lower interest rates helped to achieve the following economic and budgetary savings:

Missouri Development Finance Board Leasehold Revenue Refunding bonds issued in June 2013.
- Provides cash savings of $2.9 million over the life of the bonds; $162,046 for FY14.
- Achieved present value savings of approximately 8.25% of the par amount refunded.

Regional Convention and Sports Complex Authority Refunding bonds issued in August 2013.
- Provides cash savings of $7.9 million in FY14.
- Achieved present value savings of approximately 12.74% of the par amount refunded.

Board of Public Buildings Refunding bonds issued in October 2013.
- Provides cash savings of $919,000 in FY14 and $4.8 million in FY15-FY29.
- Achieved present value savings of approximately 13.13% of the par amount refunded.

2. **Missouri's AAA Bond Rating Reaffirmed** – The State's AAA bond rating was reaffirmed by all three credit rating agencies: Fitch Ratings, Standard and Poor's and Moody's Investors Service. Missouri's rating, currently higher than the U.S. sovereign rating, is equaled by only 10 states. The rating, which applies to general obligation bonds issued by the state, allows the state to borrow with lower interest rates, thereby saving the state money. The rating was reaffirmed due to Missouri's conservative financial management.

3. **Social Security** – The State Social Security Administrator is responsible for maintaining and administering provisions of the state's Social Security coverage agreement, extending Social Security coverage to the

**Employees:
49
Budget:
$2,194,173***

(*includes PS & EE)

state's political subdivisions and the proper application of Social Security and Medicare coverage. These agreements, referred to as Section 218 Agreements, represent a mutual commitment to assure that participation in the Social Security program is a viable part of employee benefit programs available to public employees. In 2013, the State Administrator conducted direct communication with 38 county health department administrators, seven face-to-face educational sessions for county health departments governed by a board, 21 explanatory conference calls with Boards, and seven referenda for proper coverage. There have also been presentations for various association conferences as an outreach on the complexities of coverage.

4. **Employee Self-Service Portal (ESS)** – The employee self-service portal (ESS) was originally established in July 2011 to provide employees with web-based access to pertinent information. It includes a single sign-on to select benefit providers as well as access to employee annual and sick leave balances, pay stub information, blank W4s and W2s, which can be printed and used for tax purposes. Additional functionality was added to the portal during 2013. Employees can now log in to ESS and update their name and/or address and the State will use this information to update the State's records as well as the records of Missouri Consolidated Health Care Plan, Missouri State Employees Retirement System and the State's Deferred Compensation Plan.

STACY NEAL

Division Director

5. **Missouri Accountability Portal (MAP)** – House Bill 116 was passed and signed into law during calendar year 2013. This bill required that budget restrictions, federal grants, and bonds of political subdivisions of the state be added to the Missouri Accountability Portal (MAP) site. Accounting worked with the Information Technology Services Division to coordinate, test, and communicate the changes needed to comply. During this process, Accounting coordinated with the Division of Budget and Planning which tracks budget restrictions, state agencies who receive federal grants and financial advisors and bond counsels that assist political subdivisions. In each instance, Accounting worked diligently to communicate the information that would be displayed on MAP. The project was completed in three separate phases with the entire process being complete within 83 days of the law going into effect.

6. **Electronic Signatures** – During 2013, Accounting worked with state agencies to help alleviate concerns with accepting documents with electronic signatures. The Code of State Regulations requires electronic signatures on travel reimbursement requests and requires original vendor invoices. Accounting, with the advice of counsel, was able to get an exception to the regulations to allow the State to accept electronic invoices

OVERVIEW

The Division of Accounting provides central accounting services for all state agencies. This includes producing checks, ACH payments and providing technical support for the statewide accounting system.

In addition, the Division provides a central payroll processing and reporting function for all State agencies including processing wage garnishments, direct deposit of State employee pay and providing technical support for the statewide HR system.

Accounting is also responsible for providing numerous statewide financial reports. This includes the Comprehensive Annual Financial Report, cash flow reports for the General Revenue Fund and three different debt reports.

The Division monitors and provides oversight of the employee benefits program. This includes transfers from agency funds to a central statewide fund from which the benefit providers are paid.

Accounting also provides support and oversight for the issuance of State debt. This includes communication with Moody's Investors Service, Standard & Poor's and Fitch Ratings to maintain the State's AAA rating.

and electronic signatures while Accounting works on revising the regulations. The ability to accept these items electronically allows for more efficient operations and eliminates duplication of effort by reducing the amount of electronic documents that had to be printed.

7. **Payroll** – In mid 2013, Accounting was tasked with finding a way to record employee tips in the state-wide accounting system. The payroll system was not designed to record tips and had never been done before by the state. Accounting was able to find alternative entries in the system that would allow state agencies to enter their tips that the employees have earned in order to be able to capture the data and report it on the employee's W-2.

CHALLENGES:

1. **Social Security** – The State Social Security Administrator duties continue to have significant coverage challenges. The number of entities that exist without a proper coverage agreement is unknown. As a result, significant communication and education challenges exist. Efforts are underway to amend State regulations related to the requirements of 218 coverage agreements with political subdivisions. This rule change would eliminate the requirement for every political subdivision to have an agreement and would coincide with the federal requirements related to mandatory Social Security coverage if entities do not participate in a Federal Insurance Contributions Act (FICA) equivalent retirement system. Communication efforts are ongoing to educate and inform affected individuals. The role of the State Administrator is neutral, yet explaining the impact to benefits when an entity has been contributing without the legal means to do so can be quite challenging.

2. **Cash Flow** – Cash balances in the general revenue (GR) fund continue to remain low. Borrowing from the budget reserve fund has been necessary each fiscal year from 2008 to the present. The FY14 anticipated ending cash balance indicates additional borrowing may be required in FY15. Accounting will continue to closely monitor GR cash balances and borrow as necessary to ensure all payments are processed timely.

3. **Employee Benefits** – The recent passage of the Affordable Care Act imposes regulations on all large employers to offer health insurance coverage to all full-time employees, which are defined as employees that work 30 hours or more on average. Accounting must be able to pull payroll information that will allow the State to be in compliance with the Act. Certain policy adjustments could enhance our compliance with the law, and are under review. Compliance with the law must occur to ensure the State is not subject to the substantial penalties.

4. **Educating Agencies on Payment Processes** – The Office of Administration is responsible for ensuring proper payments on a statewide basis. Due to downsizing within OA, there is no longer the appropriate staffing level needed to approve all payments made statewide. Therefore, OA has entered into cooperative agreements with all state agencies and is monitoring internal control plans to ensure they are approving payments appropriately. To further ensure that payments are made properly, Accounting is working on ways to communicate to all state agencies the importance of following the right procedures for processing payments. In order to increase the communication and education of agency personnel, Accounting is planning and working toward the following:

- Creating a survey for agency personnel with the requirement they must pass the survey in order to keep their SAM II access. This would be done in conjunction with the cooperative agreements.
- Creating short videos on various financial policies that will be posted to the Accounting website.
- Speaking to various accounting groups within the state to remind them of pertinent policies.
- Reviewing security settings for agencies with problem areas.

5. **Statewide Cost Allocation Plan** – Accounting has met with the U.S. Department of Health and Human Services (HHS) regarding the Statewide Cost Allocation Plan. Each year, Accounting seeks HHS approval of the plan to generate additional federal funding for state agencies with federal grants. The plans for 2007-2011 have been partially approved; however, issues remain related to the consolidated ITSD and FMDC for the 2007-2011 plan years. Accounting is waiting on communication from HHS as all questions have been answered to date.

6. **Inefficient Statewide Accounting System** – Accounting is tasked with managing the State's statewide accounting system (SAM II), which has not been significantly updated in 15 years. Modern accounting systems are available that would greatly increase the efficiencies of how we process accounting transactions which would reduce administrative costs. Expenses could be reduced by eliminating manual processes and automating recurring transactions. A modern system would also enhance decision making with management reporting tools such as dashboards and increase transparency by capturing additional data fields. Depending on the system, additional costs could be saved by allowing vendors and employees to manage their profiles and allowing for the electronic receipt of invoices.

Governor Nixon visits the University of Missouri to discuss the impact of House Bill 253 on higher education and the State's AAA credit rating.

"Together, we have balanced the budget and held the line on taxes, while making strategic investments to continue to move our state forward. As a result, Missouri is one of only a few states to hold a spotless, AAA credit rating from all three rating agencies. This sound financial management, along with the continued growth of our economy, will allow us to make needed investments in the upcoming budget."   Governor Jay Nixon

Division of Budget & Planning

ACCOMPLISHMENTS:

1. **Maintaining a Balanced Budget** – Budget and Planning assisted the Governor's Office with finding solutions, including cost-containment options, to ensure a balanced budget and that limited resources were focused on the state's priorities. The Division also provided the Governor's Office with information on legislation that may negatively impact the budget.

2. **Legislative Analysis** – The Division completed reviews on 145 Truly Agreed To and Finally Passed (TAFP) bills and more than 120 legislative proposals, providing thorough analysis of policy and financial issues to the Governor's Office for consideration during its review of legislation.

3. **Continued Efficiencies** – The Division worked with all departments to continue to find efficiencies in their budgets. For example, the Division worked with multiple departments to develop strategies to fund Medicaid expansion as proposed by the Governor. The Division worked with the Departments of Mental Health and Social Services to improve monitoring of the successful Health Homes Program. The Division worked with Department of Health and Senior Services on efforts to target resources to assessment and reassessment efforts. Also, the Division worked with Department of Natural Resources on monitoring and reviewing the Drought Program as it was completed.

4. **Federal Budget Coordination** – Budget and Planning worked with all departments to ensure a coordinated approach to federal budget actions including operations during the federal shutdown and managing mandatory federal budget-balancing restrictions due to sequestration.

Employees:
26
Budget:
$1,661,604*

(*includes PS & EE)

Linda Luebbering makes a presentation before the House Budget Committee.

LINDA LUEBBERING

Division Director

CHALLENGES:

1. **Continued Budget Challenges** – Despite a recovering economy, uncertainties at the federal and international level led to challenges at the state level. Budget and Planning continued to assist the Governor's Office by ensuring the state budget remained balanced by analyzing and tracking spending and revenues and by providing analysis, options and recommendations for action.

2. **Legislative Priorities** – To assist with the budget challenges and continue to move the state forward, it was essential to continue to make progress in new legislation, without negatively impacting the state's budget situation.

3. **Federal Budget Uncertainty** – The federal budget for the current fiscal year began late and operated under continuing resolutions. Plans for future years are becoming more firm, but several uncertainties remain.

4. **Economic Projections** – Changes to the tax code at the state and federal levels, as well as the recovering economy, continue to impact the variables used to forecast the state's revenue projections.

OVERVIEW

The Division of Budget and Planning analyzes budget policy issues and provides information to the Governor's Office, Commissioner's Office, General Assembly, Missouri's Congressional delegation and state, local and federal agencies.

In addition, the Division reviews state agency fiscal operations, prepares annual budget instructions, analyzes budget requests and prepares the annual Executive Budget and appropriation bills. Division employees analyze the state economy and tax issues, estimate revenue collections, track agency performance measures and draft fiscal notes.

Budget and Planning also manages the automated state budget system.

The Division coordinates legislative reviews for the executive branch and analysis on the impact of federal issues on the State of Missouri.

The Division is the designated state demographic agency and has statutory duties for technical aid to the decennial redistricting of state House and Senate districts.

"I have the best Budget Director in America."
Governor Jay Nixon

Division of Facilities Management, Design and Construction

Employees:
752.5
Budget:
$92,807,957*

(*includes PS & EE)

ACCOMPLISHMENTS:

1. **Cost Savings** – The Division continues to see significant costs savings related to leasing operations as a result of renegotiation and termination of leases and janitorial contract savings. For the 2013 calendar year, FMDC has reduced leased square footage by 13,742 feet and annual rent/janitorial costs by $585,914.

2. **State Capitol Building** – Currently, design is underway for the replacement of the HVAC system for the Capitol Building. Design is also underway for the repair/replacement of paver stones around the Centaur Fountain and adjoining sidewalks and tuck pointing on the south side of the Capitol Building.

3. **Energy** – The Division continues to realize significant energy consumption reductions. Through the first three quarters of the calendar year, energy consumption was down 2.78 percent compared to the same time frame in 2012. This continues to exceed the Governor's Executive Order 09-18, which requires a two percent reduction per year.

4. **Archibus and Energy Management Systems Cost Savings** – FMDC is working with ITSD and Talisen Technologies to improve these computer systems' performance and to make them operate more efficiently. The development and maintenance cost of these systems has decreased about $1.2 million annually since calendar year 2008 when $1,823,000 was expended to $627,000 in 2013. Currently, these systems are being upgraded and integrated within the State computer network. This will allow more efficient use of the systems by having improved software and more reliable hardware components.

5. **Revenue Generated** – FMDC sold various properties through the normal conveyance process. Total income generated for 2013 was $249,913.

Capitol Grill Before

Capitol Grill After

CATHY BROWN

Division Director

OVERVIEW

The Division of Facilities Management, Design and Construction (FMDC) provides asset management services to assist state entities in meeting their facility needs for the benefit of the public. The division has five units including: real estate services, state-owned operations, institutional operations, project management/planning unit and the energy unit.

The mission is to provide a superior workplace environment for state occupants and their visitors and protect the State's investments in property assets. The goal of FMDC is to provide agencies with the information and resources that will support their development of high-performance workplaces – workplaces that will meet agencies' business needs and can be readily adapted to changing workplace practices and strategies.

6. **Capitol Improvement Projects**
- Capitol-Senate Lounge Repairs: Re-oiled wood and painted ceiling, cleaned tapestries, wall sconces and chandeliers.
- Capitol-House Chamber: Repaired damaged ceilings in various areas.
- Senate Garage: Temporary concrete repairs.
- House Garage: Repaired upper level with new traffic-bearing membrane.
- Capitol: Secured 5th floor access to HVAC equipment.
- Capitol: Refinished six wood benches (1st floor).
- Capitol-House Hearing Rooms: Replaced carpet, painted, replaced ceiling tile and repaired laminate in various rooms.
- Capitol: Refinished East and West terrace doors.
- Jefferson Building: Replaced roof.
- Supreme Court Building: Replaced HVAC.
- Youth Services: Statewide: Security improvements.
- Capitol Complex: Tunnel repairs.
- Cape Girardeau Veterans Home: Chapel Addition.
- Missouri State Highway Patrol – Troop E: Roof replacement.
- St. Louis Veterans Home: Replace Nurse Call & Fire Alarm Systems. Construct new Solarium.
- State Fair: Construct MFA Arena.
- Mt. Vernon Veterans Home: Replace Nurse call.
- Mexico Veterans Home: HVAC/Electrical Upgrades.
- MO Eastern Correctional Center: Replace roofs, various other projects.
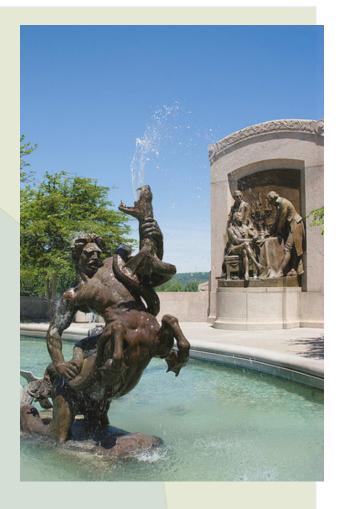- New Dawn State School: Replace roof & exterior repairs.

CHALLENGES:

1. **Leasing** – FMDC will continue to explore lease reductions and consolidation opportunities statewide for future leasing savings. Leases and rent payments have been significantly reduced over the last five years. Other departments are downsizing and/or consolidating, which may provide some additional lease reductions. As has occurred over the last five years, FMDC will continue to explore lease terminations and consolidations into state-owned space in an effort to save money.

2. **Talisen** – FMDC continues to review additional service areas provided by Talisen for major FMDC systems that potentially could be moved to the State data system for future savings. Since the final migration of two major systems from Talisen to the State late in 2010, FMDC is continuing to look for incremental opportunities to reduce the monthly payment to Talisen for ongoing services that initially were incapable of migration. The Division is working closely with Talisen and ITSD in an effort to reduce payments as much as possible.

3. **Public/Private Partnerships** – Continuing to explore public/private partnerships utilizing upfront utility company funds to accomplish energy savings projects by:
- Continuing the exploration of the development of public/ private partnerships to reduce operational costs and improve efficiencies, while also pursuing collaboration with utilities to develop solutions that will provide mutual benefits in the areas of power, heat, water and wastewater at State facilities.
- Continuing implementation of efficiency improvements through upgrades of facilities systems and components utilizing operational funding, along with recent receipt of utility incentive rebate funds.

4. **Energy Savings** – Continue energy-savings projects by retrofitting lighting at various sites. The retrofitting entails replacing existing inefficient lighting with much more efficient LED technology that far reduces the wattage required and offers a much greater bulb life. FMDC also will explore additional energy projects that offer a quick payback and significantly reduce energy consumption.

5. **Energy Education** – Working on the process to educate building occupants statewide about the importance of saving energy. This is in an effort to help meet the Executive Order requiring a two percent energy reduction. FMDC will work with the Department of Natural Resources' Division of Energy, through a recently awarded grant that will, in part, begin the education of building occupants in order to reduce consumption through direct education of employees.

6. **Capital Improvement Funding** – FMDC will continue to monitor capital improvement funding necessary to address deferred maintenance throughout the state. FMDC continues to address maintenance and repair issues as they arise statewide.

7. **Housekeeping** – FMDC is challenged with expanding its contracted housekeeping services from a basic service to an expanded service. Several years ago, in an effort to reduce expenses, housekeeping contracts were significantly reduced. As we progress forward, the buildings are beginning to be cleaned more thoroughly. The challenge will be to acquire the necessary services, while keeping costs down. If continued proper building cleaning is not addressed in the near future, it will become difficult to manage the backlog of overall cleaning needs.

8. **Staffing** – FMDC is currently facing serious hiring challenges in various areas within the Division. Specifically, we have found it nearly impossible to find qualified and interested mechanical engineering applicants. In addition, architects as well as structural engineers are difficult to attract to state government. Those applicants seem to be migrating to larger metropolitan areas once out of college and entering into the private sector. Their beginning salary structure in the private industry tends to be significantly greater than what FMDC has the ability to offer. Operationally, retention and career progressions of physical plant operators (refrigeration mechanics, HVAC techs, stationary engineers, boiler operators) and physical plant supervisors has become a critical, ongoing staffing issue.

"My administration has worked diligently to protect our perfect AAA rating and keep our state on a fiscally sustainable path. This sound fiscal management allows me to release these funds that can be put to use in several state programs and make long-term capital improvements."

Governor Jay Nixon

Division of General Services

ACCOMPLISHMENTS:

1. **Reduced Mileage Reimbursement Rates** - In an effort to assist agencies in cutting their costs of operation, the Office of Administration reduced mileage reimbursement rates by $0.13 per mile during 2010 to the current rate of $0.37 per mile. This action saved more than $950,000 during FY10, more than $2.5M in FY11, $3.7M in FY12 and $3.75M in FY13. Total four year savings is $10.9 million.

2. **Reduced Business Miles Driven** - State agencies reporting to the governor reduced their FY11 business miles driven by 12.3 percent from FY09 levels. In FY12, agencies were asked to keep business miles at the FY11 levels. Business miles in FY12 increased slightly over FY11, due largely to statewide emergency response for tornado and flood relief. FY12 business miles were below FY09 levels by eight percent, or 5.6 million miles. For FY13, business miles are 10 percent below FY09 levels or 6.8 million miles. Four year savings as a result of the business mile reduction initiative total $9.2 million ($1.76M in FY10, $3M in FY11, $2.05M in FY12 and $2.44M in FY13).

3. **Continued Redirection of Business Travel to Lowest Cost Option** - For the eighth straight year, state agencies have redirected more of their business miles from mileage reimbursement to lower cost state vehicles and rentals. Since FY05, mileage reimbursement miles driven by state employees have dropped 55 percent from 43,698,576 to 19,791,865. While total business miles driven have dipped 14 percent over the period (194,368,350 to 168,046,687), the percentage of miles driven in state vehicles actually increased 10 percent (77% to 87%). Moving from the highest cost option of mileage reimbursement to the lower cost options saved an estimated $917,000 in FY13 compared to FY05 levels.

Employees:
106
Budget:
$4,713,986*

(*includes PS & EE)

General Services makes a ceremonial presentation of MSECC check to Governor Nixon which represents the generosity of state employees to approved charities.

MARK S. KAISER

Division Director

OVERVIEW

The Division has seven units that provide agencies with a variety of support services including: printing, fleet management, administration of the Legal Expense Fund, the state employee Workers' Compensation Program, vehicle maintenance, mail services and administration of the Missouri State Employees Charitable Campaign. The Division also provides staff to administer the Missouri Public Entity Risk Management Fund, a liability and property pool for Missouri public entities.

4. **Reduced the State Vehicle Fleet** – In early 2010, most state agencies were asked to reduce the size of their fleets to achieve a reduction goal of 400 vehicles. To date, state agencies have reduced their fleets by 917 vehicles, returning more than $2.4 million to the state.

5. **Consolidated Agency Carpools** – Fleet Management consolidated Jefferson City-based pool vehicles in 12 agencies. To date, 94, or 33 percent, of these vehicles have been eliminated. Consolidating these smaller carpools reduced the number of required vehicles from 288 to 194, increased administrative efficiencies, maximized vehicle utilization and minimized the necessity to redirect business miles to more expensive options.

6. **Trip Optimizer Enhancements** - Major enhancements to the Trip Optimizer were implemented in 2013. The Trip Optimizer is a web-based travel cost estimating tool to assist employees in determining the lowest cost travel option. New enhancements include Google Maps integration, point-to-point mileage calculations, OA Carpool cost integration for Jefferson City-based trips and a pop-up verification that telepresence is an option when travel points have telepresence equipment within a certain mile radius.

7. **Increased State Vehicle Annual Utilization** - The average annual utilization of state pool vehicles increased to an all-time high. State pool vehicles averaged 18,572 miles in FY13, far exceeding the 15,000 mile minimum requirement set forth in the State Vehicle Policy – one of the highest standards in the nation for government fleets. Since the inception of the State Fleet Management Program, pool vehicle utilization has increased by 41.3% from 13,140 miles in FY02 to 18,572 miles in FY13. Additionally, average annual utilization for employee transportation vehicles has increased 46.4% from 13,314 miles in FY03 to 19,497 miles in FY13.

Reduced Mileage Reimbursement
Four year savings = $10.9M

Reduced Business Miles Driven
Four year savings = $9.2M

Redirected Business Travel Costs
Savings = $917,000 in FY13
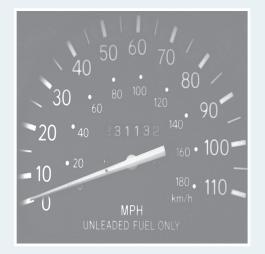
Reduced State Vehicle Fleet
Savings to date = $2.4M

CHALLENGES:

1. **Deteriorating Fleet Condition** – The condition of the general revenue (GR) passenger fleet continues to be a concern. Reliable and safe transportation is critical in providing essential state services to the citizens of Missouri. The annual general revenue investment in the passenger vehicle fleet alone should be at approximately $2.7 million to maintain the fleet at its present condition. However, general revenue funding over the past several years for these vehicles has fallen significantly below the required levels. At the end of FY14, 42 percent of the GR passenger fleet will exceed the 120,000 mile minimum replacement criteria, and by the end of FY15, 57 percent will be eligible for replacement. Without sufficient annual funding to replace aging vehicles, the condition of the fleet will deteriorate to a point where agencies are forced to utilize more costly travel options.

2. **Rightsizing the Carpool Fleet** – With the successful consolidation of agency carpool fleets, Fleet Management will continue efforts to reduce and reassign vehicles to maximize efficiency while maintaining high service levels to its carpool customers. The age, condition and mix of vehicles will be evaluated to ensure a proper balance of vehicles is available to agency customers.

3. **Implementation of RESTORE** – The Risk Management unit is working closely with the Information Technology Services Division to address remaining programming requirements for a new workers' compensation system. Programming is proceeding and timely completion of this project is essential to meeting new requirements that will be placed on the division. In addition, the Division of Worker's Compensation is developing a new reporting system of their own and will require electronic submission of data and an expanded interface from its largest insurers. The new system will provide enhancements that will spur improved accountability, functionality, productivity, and efficiency.

4. **Adjudicating Medicare Claims Against the State** – Federal rules require the state and other insurers to report injuries to employees who are eligible to receive Medicare payments or who have injuries that may require medical care in the future that could impact Medicare. As a result, General Services anticipates that Medicare will bill the state for medical payments they have made on behalf of current or former state employees whose medical treatment may have been associated with a previous workers' compensation injury. It is anticipated the burden of proof will be on the insurer, the state, to prove the payments were not from a work- related injury. This review and documentation process will require additional staff resources and the resulting claims from Medicare will raise worker's compensation costs in the future.

5. **Managing with Limited Resources** – As with most agencies, General Services continues to provide increasingly complex and expanded services to state agency customers with diminishing resources. The Division prides itself in meeting these new challenges with innovative solutions that improve productivity, increase efficiency and lower costs.

To illustrate:
- State Printing has improved productivity by streamlining staff and responsibilities and utilizing emerging technologies. State Printing has not increased its labor rates for 14 years with charges remaining significantly below the prevailing market.
- Vehicle Maintenance continues to provide vehicle repair services at labor rates over 40 percent below the average local repair facility hourly rates.
- Central Mail Services has streamlined mail processing services for state agencies in the Jefferson City area at a cost to the state nearly 40 percent less than was expended prior to consolidations. Postage discounts have been maximized with more than 60% of all outgoing mail being sent at the lowest possible rates.
- Risk Management processes workers' compensation claims at less than one-half the cost of other insurers doing business in the State of Missouri as reported by the National Council for Compensation Insurance and the Missouri Department of Insurance, Financial Institutions and Professional Registration.

State Printing has improved productivity by streamlining staff and responsibilities and utilizing emerging technologies. State Printing has not increased its labor rates for 14 years with charges remaining significantly below the prevailing market.

Division of Information Technology Services

TIM ROBYN

Chief Information Officer (CIO)

Employees:
1,035
Budget:
$273,585,515*

(*includes PS & EE)

ACCOMPLISHMENTS:

1. **Cyber Security** - Protecting state assets, networks, systems and data is a challenge for all states and the threat to our Cyber security from identity thieves, hacktivists and advanced persistent threats becomes more challenging to defend against every month. Hackers are not only using automated attacks against our state in an attempt to identify vulnerabilities that they can exploit, their use of social engineering and spear phishing is getting more and more sophisticated. This means that every state employee, not just IT, plays an important part in defending against these very real threats.

ITSD received additional funding for Cyber security from the Governor and Legislature during the 2013 legislative session. These funds are already being put to use by ITSD's team of Cyber security professionals as they enhance the state's Cyber security systems and train state employees in Cyber security best practices. Accomplishments include:

- Cyber Security Training: ISMO administered SANS Securing the Human End User Training to all consolidated state agency employees. The product contains pre-recorded training video modules, quizzes, and supporting materials such as newsletters, posters and other informative items. SANS is regarded by many to be the most trusted source for computer security training, certification and research. The training product offered by SANS will take enterprise cyber security training efforts to the next level. Besides 23 Cyber Security awareness modules on topics like phishing, it also comes with 18 compliance modules including HIPAA, Federal Tax, FERPA and others.
- Web Filtering Enhancement: The Information Security Management Office (ISMO) recently upgraded the state's web filter at significant expense. This upgrade allows the state to inspect encrypted requests and responses that use Secure Sockets Layer (SSL) encryption that are denoted by https protocol in the URL of the request. This upgrade also allows the state to block requests based on the file extension of the resource being requested. This was an important feature that allowed the state to protect endpoints against the Java security vulnerabilities of 2012-2013 that resulted in security breaches for major companies like Facebook and Apple.

OVERVIEW

ITSD is the information technology unit for nearly all state government agencies that are under the umbrella of Missouri's 14 consolidated departments. ITSD also provides network services to all other Missouri state government agencies.

The Missouri State Data Center (SDC) is the state's private cloud and provides a cost effective, uninterruptable hosting environment to support state IT needs.

The Networks and Telecommunications team is responsible for the communication infrastructure that provides essential support to state government agencies. Advancements by the team have enhanced business operations, making communications within state government and with Missouri citizens more efficient.

The Information Security Management Office (ISMO), works to ensure information and information systems maintained by the state are protected and appropriate safeguards are in place to reduce potential risks. Successful information security management allows networks to operate at maximum capacity while protecting citizens' data.

The Project Management Oversight Office (PMO) provides guidance on development and maintenance of IT contracts and assists IT project managers on the performance of their duties when necessary. The PMO also assists and advises on various IT governance initiatives.

The End User Support (EUS) group provides a wide range of IT assistance to employees of consolidated agencies within state government and some public entities that are affiliated with these agencies. State employees can make an IT support request by utilizing the online "helpdesk" ticket system or calling the Tier I call center. Problems are resolved by Level I and Level II technicians.

The Office of Geospatial Information (OGI) coordinates and supports Geographic Information Technology (GIT) for the State of Missouri, governing all technologies and standards related to the development of the state's geospatial infrastructure, data and metadata.

Application Development teams work closely with state agencies to develop and maintain the software used by state agencies to fulfill their core missions.

The Web team provides technical support and expertise to all agencies and maintains web portals that support the state as a whole.

Following are a few of the active projects that will enhance security:

- Data Loss Prevention (DLP): To further protect against accidental and malicious data loss, ISMO is implementing controls throughout the network and on endpoints. These controls, managed by a Data Loss Prevention (DLP) system, shall block data from leaving the network and/or notify the appropriate agency employee when Personal Identifiable Information (PII) or other sensitive data is at risk of leaving the state's domain.
- Intrusion Prevention System (IPS) Replacement: The state's current IPS is aging and in need of replacement. Next-Generation IPS goes beyond traditional functionality and offers greater insight and correlation to activity on the network. ITSD will procure and install a Next-Generation IPS in order to enhance security and make it more difficult for advanced persistent threats to cause a problem.
- Network Access Control (NAC) Expansion: ITSD will expand its existing NAC solution, currently limited to several physical and wireless networks, to the remainder of the networks in FY14. NAC expansion will ensure only authorized devices are on the network. Unauthorized devices will be quarantined until they meet ITSD's standards. In addition to greater network security, NAC will also facilitate better inventory management.
- Security Information and Event Management (SIEM) Replacement: ITSD will couple its new IPS with a best in class SIEM solution. ITSD will have improved security intelligence due to the information provided by the SIEM. An upgraded SIEM solution will correlate more logs from servers, firewalls, workstations and other sources than ITSD's current implementation. In doing so, ITSD will have greater insight into the threat landscape of the state network.

2. **Equipment and Infrastructure Upgrade -** As a result of the recent economic crisis, ITSD's General Revenue (GR) budget was reduced by approximately $20 million in FY10. That cut to ITSD's core budget has never been restored. One tactic that ITSD used to reduce spending was to defer equipment replacement. That tactic, while necessary, has resulted in an inventory of desktops, laptops, servers and network equipment that are old and less than satisfactory for many state agencies. Without additional core funding, a large amount of problematic equipment will remain in inventory and continue to cause issues.

While much work remains, ITSD was able to execute the following projects that upgraded the state's infrastructure and will help pave the way for next generation systems:

- Network Modernization and Upgrades: Network bandwidth is a key enabler of customer business strategies. The MoBroadbandNow middle-mile providers implemented high-speed connectivity to approximately 20 state facilities in locations that include Jefferson City, Boonville, Fulton, Chillicothe, St. Joseph and Farmington. Increased investment in network bandwidth enables agencies to deploy a greater number of applications such as Enterprise Content Management (ECM) that increase productivity and decrease the paper processes. The SDC network structure has been upgraded to support next generation virtual server/storage environments, allowing for 10GB connectivity on the backbone infrastructure. The disaster recovery network has been upgraded from 1GB to 10GB capacity to support next generation applications and development. In addition, the SDC's Storage Area Network (SAN) fiber capacity was upgraded from 4GB to 8GB.
- UC Phase III: UC Phase III resulted in nearly 2,300 phones being converted to the state VoIP in Kansas City, St. Joseph, Cameron and Warrensburg.
- Windows XP End of Support: On April 8, 2014, Microsoft will discontinue support of the Windows XP operating system and devices using XP will become a security risk. As of July 1, 2013, the state had approximately 20,000 Windows XP computers in use. Many of those machines required a half hour or more to boot and minutes to open documents. This is a terrible drain on employee productivity. The project to upgrade the Windows XP operating system to Windows 7 is being executed.

3. **Legacy System Modernization -** Several legacy system modernization projects are currently underway that serve to:
- Enhance program effectiveness
- Improve productivity and reduce long-term costs
- Increase citizen access to state services, information and data
- Reduce risk of system outages and failure

ITSD Meet and Greet recruitment event.

Below are updates on a few of the large legacy system modernization projects:

- DSS: Missouri Eligibility Determination and Enrollment System (MEDES): MEDES is a case management system that will eventually provide eligibility determinations and enrollment in Medicaid and Human Services programs. Development began in June 2013 with a contract awarded for systems integration services to design, implement and maintain the MEDES. The MEDES Citizen Portal was implemented in Release 1 on October 1, 2013. The portal provides an online application for family Medicaid that incorporates the Single, Streamlined Application. This provides convenience to the applicant by sharing the information from a single application for use by multiple programs. Release 1A occurred on November 7, 2013 and implemented functionality referred to as the "Better Door". This functionality assesses a family's eligibility early in the application process and either continues the application for Medicaid or refers the applicant to the Federally-Facilitated Marketplace (as required by the ACA) based on the assessment results. This reduces the amount of information an applicant has to re-enter on the federal site and prevents state staff from processing a large number of applications for families that are not eligible for Medicaid. Release 2 that deployed the Case Worker portal to DSS employees occurred in January 2014. Subsequent releases and MEDES projects will continue through the end of 2015.

- DOLIR: Unemployment Insurance Modernization (UIM): The current Unemployment Insurance Benefits and Tax Systems have served the state for many years (parts of these systems are over 40 years old), however the risks associated with continuing to use the system have increased over time. These risks stem from its poor documentation, complexity, and use of legacy technologies that make it increasingly difficult to support and modify. The system also inhibits DOLIR from fully automating and modernizing its business processes. UIM began in February 2013 and will be completed in 2 phases over a 3 year period.

- DOR: Integrated Revenue System: In order to take advantage of newer technology and better serve its constituency, DOR is replacing its current primary legacy systems with a new Missouri Integrated Revenue System that must support all of the essential functions of tax administration and collection. The system is a Commercial-Off-The-Shelf (COTS) system that is developed and supported by Revenue Solutions, Inc. (RSI). This multi-year project began in 2012. Release 1, which includes all core system functionality and is specifically targeted to be used for registration and tire and battery fee processing, is scheduled to go live in February 2014. The current primary legacy tax systems have been in operation for many years with numerous additional secondary systems also supporting tax administration and collections. The primary legacy systems were developed uniquely for each tax type and were developed using old technology. The supporting systems are a mixture of both mainframe and PC-based systems. While these systems have been substantially modified over the years to support new business requirements, they are not adequate

to meet the Agency's current business needs. The systems are becoming increasingly difficult and expensive to use and maintain. In addition, because the various tax systems were built using a silo approach, where most tax types exist independently, communication between systems is limited and numerous interfaces between systems are required. As an integrated tax system, this solution provides a single integrated system for all taxpayer information, history, and current actions. The scope of the Missouri Integrated Revenue System project is to: replace primary legacy and peripheral systems (approximately 65 existing) that provide tax processing functionality associated with several tax types (Sales & Use, Tire & Battery Fee, Individual Income, Property Tax Credit, Withholding and Corporate Income) with an integrated tax system; enhance the legacy data capture functionality with OCR/ICR capabilities; convert data from the legacy systems to the system; develop interfaces between the system and remaining legacy systems and other third parties; test the system prior to deployment to resolve defects; and provide training and documentation to users and technologists who will use and support the system. In addition, the scope includes the generation of benefits to provide funding for the project by virtue of improving compliance operations and programs and increasing the efficiency of the agency.

Despite the progress noted above, the state maintains over 100 legacy systems. Many of these systems are neither effective nor efficient, are difficult to access and not sustainable in the long term. Investing in the modernization of those systems is a good opportunity for the state.

4. **IT Governance** - IT Governance ensures that IT resources are used effectively and efficiently and are used to meet the strategic goals and objectives of the state. IT Governance ensures that the right projects are executed at the right time.

ITSD works with the agencies it supports to develop strategic plans and ensure that projects identified for funding and execution are delivered as expected and meet their business objectives. ITSD also works to maximize the value of the state's IT assets by sharing services, code and knowledge. Accomplishments include:

- Application Portfolio Management (APM) & Project Portfolio Management (PPM): ITSD's "Application Portfolio Coordinator" and the PMO implemented Innotas' APM/PPM software-as-a-service (SaaS) to better capture, store and share information about the state's application and project portfolios, with the goal of optimizing the allocation of the state's IT resources.
- Sharing Services and Code: ITSD enhanced a timekeeping application (ETA) so that it could be shared among state government agencies. ITSD also shared application code with the Public Service Commission and the States of Louisiana and North Dakota. ITSD received application code from the States of Kentucky, Mississippi and Tennessee.

5. **E-Government** - E-Government is defined as the use of technology to improve the effectiveness and efficiency of the delivery of government services and information to citizens, businesses and government agencies. E-Government initiatives and projects leverage technology to improve program performance, stretch budget dollars, increase state employee productivity, simplify citizen access to government services and much more.

Below are some notable accomplishments:
- DHSS: Certificate of Need: Certificate of Need is designed to restrain unnecessary health care expenditures while addressing issues of community need, accessibility, financing and high health costs. One way the program does that is by surveying the number of licensed beds available in Residential Care Facilities, Assisted Living Facilities, Intermediate Care Facilities and Skilled Nursing Facilities. A survey is taken on a quarterly basis to determine percentage of occupancy and deficits in available licensed beds per county. Prior to September 2013, all surveys (1,100 per month) were submitted on paper by both mail and fax. A new web application allows Missouri care facilities to submit their quarterly surveys online. This improved process eliminates cost of mail preparation, manual data entry by staff and reduces risk of human error.
- DHSS: Missouri Child Care Inspection System (MOCCIS): The DHSS Child Care team is required to inspect and monitor child care facilities around the state ensuring licenses are up to date and the facilities are in compliance with state statutes and licensing rules. One component of MOCCIS

ITSD receiving the Governor's Award for Quality and Productivity from Commissioner Doug Nelson.

is a mobile application that allows inspectors to complete electronic data entry for the inspections on tablets in the field, saving approximately 8,000 hours per year in manual data entry. Once reviewed by a supervisor that data is then displayed on the public-facing Childcare Portal.

- DNR: Electronic Discharge Monitoring Reports (eDMR): eDMR is an application that was developed to integrate with the Missouri Clean Water Information System (MoCWIS) for the purpose of allowing regulated entities to submit their discharge monitoring reports (DMRs) electronically thru a secure portal. Regulated entities are still allowed to submit paper reports, which must be manually entered into MoCWIS; however, the intent is to continually increase the number of entities who submit reports electronically through these technology advancements. Currently, five full-time staff manually enter and cross-check the forms submitted by paper. As the number of entities who electronically submit reports increases, staff will be redirected to other duties that more directly protect the environment. By electronically validating these reports as they are submitted and prompting the entities for missing information, increased time and expense will be avoided by a reduction in the number of investigations and enforcement actions for non-receipt of required data.

- DOR: Dealer Application Status Inquiry: This new application allows motor vehicle dealers to check on the status of their dealer license renewal application online instead of via phone call.

Protecting the state's assets, networks, systems and data from identity thieves, hacktivisits and advanced persistent threats is a top priority.

- DOR: Partnership and Fiduciary Electronic Filing (MeFile): The addition of partnership and fiduciary tax returns through the IRS Modernized Electronic Filing process (MeFile) was completed for the 2013 filing season. Currently DOR receives around 45,000 partnership paper returns and around 50,000 fiduciary paper returns each year. The move to electronic filing will improve processing time, reduce paper storage and provide additional data sources for the Enterprise Data Warehouse. It will also benefit customers by enabling them to file these returns electronically.

- 100 Missouri Miles: An interactive website was developed for the Governor's 100 Missouri Miles Challenge. The website promotes Missouri's outdoor recreational opportunities and encourages Missourians to exercise. More than 12,000 users have logged over 1,000,000 miles on the website. The website is integrated with social media.

- Missouri Accountability Portal (MAP) Enhancements: Three enhancements were made to MAP in response to the passage of House Bill 116. One feature allows citizens to view expenditure restriction information by the agency in which appropriation authority was restricted, the fund in which appropriation authority was restricted, and the amount restricted and/or released. Another feature allows citizens to view federal grant information by the state agency in which federal grants were received, the federal agency from where the money was received or by completing a key word search of the grant purpose. A third feature allows citizens to view information about public bonds in Missouri.

Since the official launch on June 1, 2013, 12,000 participants have completed more than 1,000,000 miles, including 347 miles by the Governor and 377 miles by the First Lady.

Join Governor Jay Nixon and First Lady Georganne Nixon and challenge yourself to 100 Missouri Miles!

Take the Challenge!

100MISSOURIMILES.COM

SHARE YOUR JOURNEY #100MOMILES

MISSOURI STATE PARKS   Strive for Wellness   dhss   100MissouriMiles.com   #100MoMiles

LEARN ABOUT THE GOVERNOR'S 100 MISSOURI MILES CHALLENGE

Commissioner Doug Nelson pictured alongside other honorees after receiving the Governor's Award for Quality and Productivity.

CHALLENGES:

1. **Cyber Security** – Protecting state assets, networks, systems and data is a huge challenge for all states. The threat to our Cyber Security from identity thieves, hacktivists and advanced persistent threats becomes more challenging to defend against every month. Hackers are not only using automated attacks against our state in an attempt to identify vulnerabilities that they can exploit, their use of social engineering and spear phishing is getting very sophisticated so security has really become a huge challenge for every state employee, not just IT. Additional funding that was provided in the current budget has been of great benefit, but vigilance must be maintained.

2. **Funding** – Funding is a challenge for ITSD. ITSD took a big budget cut in FY10 and the funding has never been fully restored. As mentioned above, the reduction in budget has adversely affected our ability to refresh computers, network equipment and infrastructure. It has also impacted our ability to modernize over 100 legacy systems and our ability to use technology to increase effectiveness and efficiency. Examples of potential initiatives include:
- E-Procurement
- Enterprise Content Management
- Interoperability through Service Oriented Architecture and Master Data Management
- Small and Medium-Sized Legacy System Modernization
- Small and Medium Sized E-Government Projects
- Mobile Application Development

3. **Recruiting and Retention** – Recruiting and retaining qualified staff is a challenge for ITSD because of many factors. These factors include:
- Nationwide talent shortage of IT professionals
- High percentages of retirement-eligible staff across ITSD the last several years
- Competition with private industry to attract IT staff
- Missouri state employee pay rates

In an effort to overcome these challenges, ITSD continues to recruit, train and promote qualified employees as staff retire and/or resign for other opportunities.

4. **State Data Center** – A different location for the State Data Center is necessary in order to mitigate the risks associated with power, environmental control and potential flooding. This is a highly complex, multi-year project that will require additional funding regardless of whether outsourced cloud strategies are employed.

Division of Personnel

Division Director

Employees:
61
Budget:
$3,105,707*

(*includes PS & EE)

ACCOMPLISHMENTS:

1. **HR Transformation** - Efforts around HR Transformation continue.   The transformation leverages current resources, reduces paper transactions, and creates an effective and efficient system that is employee focused.

2. **Employee Self-Service (ESS) System** - The ESS portal was launched July 1, 2011. This was a collaborative effort involving staff from ITSD, the Division of Accounting and the Division of Personnel. The functionality included in the initial rollout created a foundation for an expandable web-enabled portal that provides a number of conveniences for employees, including the ability to view paycheck details; leave balance summaries; employee announcements; W-2 original and corrected information for the previous five years; and the ability to print blank W-4 forms. In 2012, additional improvements included the addition of individual employee training history information captured from SAM II, and adding a link to the Vendor Payment Services site which allows employees the ability to view their payment information online, such as paid expense accounts or other non payroll-related expenses.

3. **Center for Management and Professional Development** – Over the last year, the Center has:
- Continued to promote e-learning opportunities for participants via webinars, and the MyQuickCoach online coaching system; and also introduced a new online learning option called Insights on Demand containing more than 60 self-paced courses that reinforce leadership skills, effectiveness and productivity.
- Utilized various training professionals to create and present new classroom programs in the areas of innovation, leadership, assertiveness, leading difficult conversations, decision making, challenging negative attitudes, managing employee development and more.
- Established Open Labs for Microsoft applications that allow individuals to work with an instructor to receive answers to specific questions they have on software issues and receive "hands-on" help with their "real world" work projects.
- Coordinated the update and development of SAM II HR training manuals that will be used to provide new SAM II HR Introduction and Navigation classes. Training on this topic has not been available since 2002.
- Coordinated the In the Spotlight! employee recognition website to promote the accomplishments of state employees through the use of an employee "blog," pictures, videos of employees speaking on what motivates them to provide "great work;" and state executives speaking about their employee's accomplishments. An In the Spotlight Newspaper was also used to encourage use of the website.
- Marketed training programs to city and county government entities and the private sector using various marketing strategies to minimize training costs while allowing greater opportunities for participants to benefit from the experiences of their peers in other organizations.
- Championed the annual State Employee Recognition Day (SERD) event attended by nearly 5,000 state employees and approximately 100 vendors comprised of state agencies and local merchants. Through the donations of various private sector businesses, all state employees could receive prizes regardless of their geographic work location or attendance at the SERD event.

OVERVIEW

The Division of Personnel (DOP) assists all branches of state government by providing an effective and efficient statewide human resource management function, as well as guidance in several areas. Along with the Division of Personnel, the Personnel Advisory Board is responsible for the operation of the Missouri Merit System, the Uniform Classification and Pay (UCP) System and other HR management functions established by Chapter 36, RSMo. The director of the Division of Personnel and other division employees act as staff to the Board in its oversight and policy making responsibilities. The four major programs of the Division are as follows:

The Employee Services section develops and administers position classification for agencies covered by the UCP System; ensures employees are assigned to appropriate job classes and that new job classes are assigned to the appropriate pay range; reviews applications for employment within the Merit System; and develops, updates and administers Merit System examinations.

The Pay, Leave and Reporting section provides information on the UCP System pay plan; interprets policies on pay, leave and hours of work; provides assistance with the SAM II HR/Payroll System; maintains registers of people from which agencies can select for Merit System jobs; ensures personnel transactions are in compliance with Chapter 36, RSMo; and administers the Productivity, Excellence and Results for Missouri (PERforM) State Employee Online Appraisal System.

The Center for Management and Professional Development (CMPD) develops and delivers interpersonal skills programs and management and supervisory skills training (comprised of workshops, webinars and other e-learning strategies) according to guidelines established by the State Management Training Rule (1 CSR 20-6). The CMPD also provides computer and technical skills training to help individuals increase their proficiency in Microsoft Office programs and other specialized software applications, and maintains computer training labs that allow agencies to bring their employees together in a pre-prepared training environment to increase staff proficiency in specialized or agency specific software programs. While primarily serving state agencies, the majority of CMPD programs and services are also available to city and county government employees and private sector businesses. In addition to training, the CMPD administers statewide recognition programs that include State Employee Recognition Week, State Employee of the Month, the Missouri Relies on Everyone (MoRE) State Employee Suggestion System, Missouri State Employees Award of Distinction, the Governor's Award for Quality and Productivity, and the employee recognition website, In the Spotlight. The CMPD also coordinates the WeSave Employee Discount Program.

The Human Resources Service Center (HRSC) provides administration of human resources by providing a single point of contact for Office of Administration management and employees to obtain consistent responses to human resources situations and issues. Within this section, the state operators provide responses to questions from the general public.

4. **Working to Improve the Hiring Process** - To better serve our customers, in May 2013 a redeveloped version of the Electronic Application System (EASe) for Merit classes was launched. This was the first substantial rework since the system was implemented in 2005. In addition to cosmetic enhancements to simplify application use, improvements included: better accessibility for applicants that rely upon blind reader software; access for Mac users; and compatibility with an expanded number of web browsers.

5. **HRIS** - As a part of a broader restructuring within the DOP, a new Human Resources Information Systems (HRIS) Team was formed. The formation of this Team should improve the administration and communication regarding various information systems (e.g., SAM II HR and the HR Data Warehouse, MAIRS, ESS, EASe, etc.) used by Division staff and our stakeholders. Over time this structure should improve cross-training and back-up for important HRIS functions.

6. **Statewide Employee Relations Program** - Efforts continue to cultivate an employee relations program and to identify trends and other employee relations issues state agencies are facing. Our goal is to create a centralized resource agencies can use for assistance with common Human Resources issues.

7. **Transfers Resulting from Executive Orders and Legislative Action** - Staff successfully supported agencies in the transfer of positions and employees resulting from Executive Orders or legislative action. The transfers included: the Land Survey Program moving from the Department of Natural Resources to the Department of Agriculture; the Division of Energy moving from the Department of Natural Resources to the Department of Economic Development; the Center for Emergency Response and Terrorism moving from the Department of Health and Senior Services to the State Emergency Management Agency within the Department of Public Safety; and moving the post-issuance compliance functions related to tax credit and job incentive programs from the Department of Economic Development to the Department of Revenue.

Division of Personnel conducting New Employee Orientation for new OA employees.

State Employee Recognition Day

Challenges:

1. **Employee Self Service Portal (ESS)** – Continued efforts by the ESS project team will continue to expand the capability of ESS project. The project team will work to increase the use and functionality of ESS to incentivize additional employees to use the portal.

2. **Center for Management and Professional Development** -
- Cultivating dynamic, high quality, contract trainers to provide a cost-effective and diverse spectrum of experience and learning for customers.
- Obtaining and maintaining the correct hardware needed to offer the wide variety of computer and technical skills training programs customers need to do their job.
- Providing the right mix of training delivery options (i.e. content and cost) that will serve as a catalyst to increase participation in training programs.
- Promoting agency awareness of statewide recognition programs managed by the Center to increase participation in the programs in an effort to better reflect the employee population.
- Obtaining resources to provide a robust Learning Management System (LMS) that can be inclusive to other state agencies.
- Establishing a structure that will allow the Center to use the combined training expertise that exists in many state agencies in a way that can benefit all employees on a statewide level.

3. **Succession Planning** - These are challenges the state is beginning to experience as replacing skilled employees becomes more difficult. The Division of Personnel continues to face challenges due to resignation or attrition.

4. **Recruitment and Retention** – Some Merit registers contain a limited number of candidates and skilled positions receive minimum interest when positions are advertised, which may be due to a variety of causes ranging from the required qualifications to annual pay. Regardless, because of the small selection pool, agencies constantly struggle to find skilled employees to fill va-

cancies created when tenured employees retire or resign from state employment..

5. **Employee Relations** - Agencies have optimistically been in favor of a statewide employee relations program and have provided a great number of items and areas they believe they could benefit from Division of Personnel staff assistance. While several items could be managed from a statewide perspective, there also will be challenges in assisting with other items requested due to budgetary constraints (additional training resources) and lack of authority in some areas (e.g. requirement of statute changes).

6. **EASe and MAIRS** - The online application system, EASe, is very important to a number of our stakeholders, which range from applicants who are seeking employment with the State of Missouri to the Merit agencies that rely on DOP to certify quality candidates to fill their positions. There are a number of technical obstacles associated with the current system which continue to present challenges. There are limits on the number of characters and fields available to clearly state the minimum requirements of classes, which create confusion and misunderstanding. The system is not programmed to validate an applicant's self-assessed eligibility in comparison to the education and experience information provided within the application, which directly relates to the quality of candidates that are added to merit registers. In addition, the Management and Applicant Information Resource System (MAIRS), which supports EASe and is also a tool for other aspects of the work performed by DOP, is antiquated. Because of this, many desired enhancements for EASe are not currently possible. The DOP is aware of the problems associated with EASe and MAIRS, but has limited control for making and/or scheduling the implementation of necessary technical changes. Although this circumstance exists, staff works within the current constraints of the system to provide adequate service to applicants and merit agencies.

Division of Purchasing & Materials Management

ACCOMPLISHMENTS:

1. **Free Vendor Registration** - DPMM eliminated its annual $50 Vendor Registration fee at the end of 2012, allowing vendors to begin registering for email notifications of bid opportunities for specified commodities and services at no cost. As a result, during 2013 the number of registered vendors and the number of email notifications sent to registered vendors regarding bid opportunities have both increased.

2. **Improved Domestic Products Procurement Act Verification Form** - By overhauling the "Buy USA" form, DPMM has achieved greater efficiencies by providing better instructions and greater clarity to the format for requesting the needed information. As a result, staff only rarely need to seek clarification of the vendors' intent whereas in the past a large majority of the vendors' forms required clarification.

3. **eProcurement Readiness Assessment** - In order to address decreased staffing resources and procurement data limitations using a cumbersome, mainframe-based procurement system, DPMM has looked at the success of eProcurement initiatives in other states and its viability for Missouri. In January 2013 a contract for consulting services for an eProcurement Readiness Review was awarded to complete an analysis of current functions, processes, laws, policy and technology supporting the procurement functions in Missouri and identifying relevant government best practices for procurement operations. In addition to validating the need for and viability of an eProcurement system for the benefit not only of DPMM, but also for state and local government agencies, a number of internal improvement projects have been identified for DPMM. These projects include the development of a Procurement Manual and a Contract Management Guide; developing bid templates for state agencies to use in their local authority bids; and improvement of DPMM's terms and conditions, contract usage reporting, internal bid templates and procurement process tracking. Work on the eProcurement Initiative and the transformation of the state's purchasing policies and procedures will continue into 2014.

4. **Evaluator Training** - For several years DPMM has required bid evaluators to sign forms certifying their compliance with confidentiality provisions of the procurement process until an award is made or all bids are rejected. Sometimes evaluators have failed to consider the impact of their prior employment, their potential future employment, their personal relationships and their day-to-day actions upon evaluation processes with which they are involved. While individual DPMM buyers educate evaluators with regard to the importance of the integrity and transparency of the evaluation process, DPMM recognized more proactive, formal evaluator training was needed. DPMM has developed and is close to rolling out to state agencies a new web-based evaluator training to increase awareness of real and perceived conflicts of interest, which must be vetted prior to being allowed to serve on an evaluation committee. The online evaluator training presentation is intended to increase individuals' awareness of the potential for real or perceived conflicts of interest so that they can assess whether they can or cannot serve as an evaluator for a given procurement. The training is also intended

Employees:
33
Budget:
$1,742,889*

(*includes PS & EE)

JIM MILUSKI

Division Director

OVERVIEW

The Division of Purchasing and Materials Management (DPMM) is responsible for the procurement of state-required supplies, materials and services in larger quantities and encourages competitive bidding and awards on all contracts that fall under Chapter 34.

The Division executes procurement functions in accordance with applicable statutes by maximizing competition in the procurement process, conducting evaluations and negotiations where appropriate and awarding contracts to the "lowest and best" bidder.

The Division also maintains responsibility for the statewide in-house recycling program, transfers and/or disposes of state agencies' surplus property to maximize state resources, and administers the Federal Surplus Program.

The Federal Surplus Program is a program that distributes donated new and used federal surplus property to eligible entities which include all state agencies, political subdivisions, not-for-profit health and education entities, and service agencies that meet federal program guidelines.

to provide evaluation instruction for bid/proposal evaluation that is consistent with that given by the DPMM buyers for each procurement.

5. **Staff Retention Efforts** – State agencies have often been in a position to hire away trained DPMM staff by offering higher starting salaries than DPMM can offer. In 2013, DPMM was able to reclassify lead procurement staff to better address procurement complexities and the need for increased oversight and review, and to handle increasingly complex and larger procurements. In addition, the beginning salary range for Buyer II's was changed to match the typical starting range for Procurement Officer I's in state agencies. It takes many months of training for DPMM to complete the necessary training for a beginning buyer.

6. **Surplus Property** – The Missouri State Agency for Surplus Property operates a federal property donation program for the State. The program recently built a retaining wall where storage containers could be placed behind in order to create a more efficient staging area for property reviews by donees. Also, the program continues to receive letters of gratitude from the donees for the items made available to them for a fraction of the cost they would have paid in the retail market.

7. **State Recycling** – The DPMM also operates the State Recycling Program. The program has grown extensively and recently established a dual stream recycling collection service contract for the counties of Jefferson, St. Charles, St. Louis, and City of St. Louis. The dual stream recycling process involves mixed paper being kept separate from other recyclable materials such as cardboard, plastic, and tin.

8. **SOS Verifications** - DPMM has always required vendors to be registered to do business in the State of Missouri; however, DPMM did not verify compliance by checking individual registrations with the Office of the Secretary of State until 2013. DPMM staff now verifies registrations prior to making all contract awards.

In FY13, State Agencies:
- Recycled 16,947,253 lbs of material
- Saved $325,232 in waste disposal costs
- Saved $115,000 from reuse of state property
- 60 percent of paper products procured by state agencies contained recycled material
- Purchased more than $5.4M of products containing recyled materials

Copier/printer paper containing recycled material resulted in estimated savings of:
- 7,214 trees
- 2,104,147 gallons of water
- 18,035 lbs of air pollution
- 1,232,429 kw/hours of electricity
- 4.2 billion Btu

CHALLENGES:

1. **DOR License Office Procurements** - DPMM is working with DOR to rebid the 182 license offices through individual competitive procurement processes without additional staffing or budget resources. This effort is currently requiring two full-time buyers and the oversight of one manager. As a result the assignments typically handled by these buyers must be added to the workload of other staff which can delay the timely processing of procurements.

2. **Buyer Candidates** - Being able to reach and hire good entry-level buyer candidates through the Electronic Application System has been challenging. DPMM is working with DOP to modify the Buyer I qualifications requirements to better align with necessary skills for this position and to eliminate confusion for those who believed they possessed required experience when they did not.

3. **Meaningful Procurement Data** - Due to current system limitations and ordering and payment processes used by state agencies, DPMM only has access to limited meaningful procurement usage data. However, through the eProcurement Readiness Assessment noted above under accomplishments, DPMM will be working with its statewide contract vendors in 2014 to improve reporting of statewide contract utilization by both state agencies and local government agencies at the line item detail level.

4. **Federal Shutdown** - When the Federal Government shut down the majority of its operations in 2013, DPMM's ability to award contracts was impacted on two fronts. The E-Verify Program which is mandated for procurement of services in excess of $5,000 in Missouri was temporarily closed. Those vendors who did not already have their E-Verify registration prior to shutdown could not register until operations resumed. Approval of funding for programs requiring Centers for Medicare & Medicaid Services (CMS) approval prior to contract award were also delayed due to the shutdown.

5. **Surplus Property** - The program operates as a self-funded entity surviving on its service charges for transportation and distribution of federal surplus property. The program once had a budget line with an estimated appropriation that allowed Surplus Property to obtain any property that was determined financially prudent, requested and needed by the donees. The current budget is restricted to a maximum amount which forces Surplus Property to decline property it otherwise would accept if the agency had the expenditure authority to do so.

6. **State Recycling** - With the new recycling collection contract in the St. Louis area, the program is currently working through the challenges associated with establishing the collection infrastructure at various buildings as well as the development of collection routes. This collection infrastructure is being established remotely since the Recycling Coordinator for the program works in the Jefferson City area.

Office of Equal Opportunity

ACCOMPLISHMENTS:

1. **Disparity Study Underway** – With the support and assistance of OA, the General Assembly and several key legislators, an RFP was initiated and a contract was awarded in 2013 to perform a disparity study. Holt & Associates, LLC will be performing the first statewide study since 1996. The results of this disparity study will assist the minority- and women-owned business enterprise (M/WBE) program in ensuring that this critical initiative remains legally defensible and administratively successful.

2. **Berkshire Affirmative Action Software** – The introduction of additional fields and categories to the Census 2010 and all future census data going forward made existing software currently in use by the state obsolete. With the support and assistance of ITSD, the state purchased and implemented cloud-based software from Berkshire. This software allows an unlimited number of agency users to enter, track and monitor workforce changes statewide and even worldwide, where applicable. At least two agencies, MODOT and Conservation, use this software on a monthly basis to monitor workforce diversity initiatives.

3. **OEO Website** – The OEO website is still gaining traction among users as OEO continues to offer more than just government-related opportunities to the minority and women-owned business community. With the assistance of a Lincoln University intern, the OEO website is updated regularly with a variety of interesting information such as upcoming career fairs, professional development seminars, available low-interest loans and occasional out-of-state opportunities. Hits to the site continue to increase steadily. Weekly website hits averaged 3,300 in 2011, 3,900 in 2012 and 3,950 in 2013.

Employees:
5.5
Budget:
$297,681*

(*includes PS & EE)

Governor Nixon holds a meeting with the Missouri Coalition of Minority- and Women-Owned Businesses.

CELESTE METCALF

Division Director

OVERVIEW

The Office of Equal Opportunity exists to promote a diversified workforce within state government and to assist women and minorities in developing opportunities to contract with the state, economically empowering traditionally underserved communities and improving the overall fiscal vitality of the State of Missouri.

4. **Certification Committee** – Every applicant seeking M/WBE certification must go through a rigorous review involving a comparison between qualifications and consistency with CSRs. Every year, applicants discover new and creative ways to present themselves, requiring OEO to also rise to the challenge of effectively determining which candidates actual qualify. This year, the addition of a new staff member and the re-engagement of two retirees enabled OEO to form a team of seasoned individuals with differing skill sets that can exchange ideas and compare opinions. OEO now has an actual "committee" in place to review and compare applicant details.

5. **ARRA Reporting** – OEO is also responsible for overseeing the reporting of the state's ARRA award expenditures to FederalReporting.gov (FRG). With the support and assistance of ITSD, we initially reported on 425 awards every quarter. Reporting is only required if the award is not final, so now we're down to reporting on roughly 100 awards. Since the inception of ARRA in 2009, the State of Missouri has submitted every award every quarter before the requested deadline with the exception of only one award for the quarter ending March 2013 being late. In spite of that one mishap, we are very proud of this record of complying with all aspects of ARRA reporting.

6. **OEO Staff Presence in St. Louis** - OEO's certification process requires that a site visit be conducted before an M/WBE certificate can be issued. It is critical that the actual existence and presence of every applicant be confirmed. However, physically visiting each and every business site throughout the entire state continues to present a challenge given limited staff. The largest proportion of applicants and site visits are from the St. Louis region, more than double the total of any other region. To address this disproportionate total of applications received and site visits required, the newest addition to the OEO staff agreed to relocate to St. Louis to eliminate any challenges or inconsistencies in obtaining site visits from St. Louis-based applicants.

7. **M/WBE Contract Compliance Improvement** – The ability to monitor minority and women participation in contracts hinges upon good information. With the assistance of DPMM staff, OEO developed a process involving the distribution of a list to each agency of all contracts administered by DPMM that have M/WBE participation. Upon receipt of this list, each agency may contact the vendor to confirm the vendor's adherence and commitment to meet the participation requirements prior to contract expiration. If participation requirements will not be met, the respective DPMM buyer must be notified. For consistency sake, agencies were given a "script" to read and/or follow in contacting each vendor. This process has taken some of the burden off of DPMM in monitoring contract compliance and placed more of the responsibility with the individuals at each agency who are more likely to have day-to-day contact with the vendors and who are in a better position to know contract deliverables and the effect on M/WBE participation.

CHALLENGES:

1. **M/WBE Certification** – the ability to gain favor, in the form of additional points on a state bid or contract, has the potential to provide incentive or motivation for an entity to pursue and obtain M/WBE certification. The integrity and reputation of the state's M/WBE program hinges on OEO's ability to effectively grant, deny and/or revoke M/WBE certification in the appropriate circumstances. OEO has the staff to award an MWBE certification, but OEO has limited ability to monitor whether an entity continues to meet the CSR requirements once awarded. OEO relies heavily on outside information to assist us in identifying candidates that no longer meet the qualifications. However, going forward, too heavy a reliance on outside parties to perform the critical role of investigator may not be sufficient in all cases. Going forward, OEO will consider and explore other possibilities to monitor the certification status of OEO-certified entities.

2. **Tracking Minority Expenditures in SAM II** – The process by which minority vendors are tracked in the accounting system opens the door for misinterpretation. Currently, ITSD has designed a nightly download process that compares the list of certified vendors in OEO's database with the list of vendors paid through SAM II. If a vendor currently is certified by OEO, a "Minority Vendor" box will be checked in SAM II. When checked, this box identifies a vendor as being "certified." If a vendor has allowed their certification to lapse, the "Minority Vendor" box automatically will be unchecked in SAM II.

When performing analyses of payments made to minority and women vendors, a report will reflect only transactions where the "Minority Vendor" field has been checked. Payments to minority vendors, identified by a separate field, "Vendor Type," still can occur; however, these payments will not show up on any reports if the vendor's certification has lapsed during the time period that a report is being run. The inability to separate the "Minority Vendor" field from the "Vendor Type" field, e.g. Caucasian, African American, Hispanic, Asian, Indian, etc., presents a challenge in analyzing and monitoring adherence to Executive Order 05-30.

Celeste Metcalfe pictured with local high school students at Martin Luther King Day Award Ceremony.

Weekly website hits to the OEO website averaged 3,950 in 2013.

3. **Expanding the role of OEO** – OEO monitors minority and women participation in two distinct categories: the workforce and state contracting opportunities. Workforce initiatives include oversight and communication with the state's Workforce Diversity Council, adherence to EEO Federal reporting guidelines, and maintaining an awareness of changes in rules and regulations that affect the state's workforce and affirmative action policies. Monitoring state contracting opportunities includes oversight and communication with the state's Contract Compliance Council, constant review of state contracts awarded and administered, as well as being the main point of contact for minority- and women-owned business enterprises. The duties and responsibilities involved in monitoring contract opportunities can be further separated into three components: certification, compliance and matchmaking minority and women-owned business enterprises with state contracting opportunities. The certification

review and denial process is the foundation of the M/WBE program. However, the requirements of this detail oriented, labor intensive process are so demanding that this process is the only tangible deliverable that the current four-person staff can handle. This leaves limited resources to address compliance related issues, both from a contract-compliance and a certification-compliance perspective, and to address searching for and matching prime contractors with suitable MBE or WBE candidates. An effective M/WBE program must have an outreach component that involves constant communication with the public. This program should provide multiple opportunities, like annual conferences and informational seminars, for feedback from the individuals and the community this office is intended to serve.

Human Resources

ACCOMPLISHMENTS:

1. **Human Resources Call Center** - Housed within the HRSC is a Human Resources Call Center that was established in July 2012 using the Unified Call Center Express and HR Helpdesk software packages. A centralized call center has improved consistency and response time to employees requesting information about timekeeping, benefits and general HR questions. Since its inception, the Human Resources Call Center has responded to more than 2,000 tickets submitted by employees of the Office of Administration and division management.

2. **Hiring Process** - A standardized hiring process for OA was implemented. Staff members have been using hiring process flow charts that document each step in the hiring process for OA. In addition, forms were used that better document the hiring process and ensure that all steps are performed. These forms include interview questions, reference check questions, a supervisor hiring checklist, justification to fill, recommendation to hire and interview questions that should not be asked. All of these forms have been placed on the OA Intranet.

3. **ADA Process** - Key stakeholders including legal counsel, HR representatives and leadership staff collaborated and drafted a new Americans with Disabilities Act (ADA) process. To date, many supervisors and managers of OA have been trained on this new process by the HR Director and the manager of the Center for Management and Professional Development housed in the Division of Personnel. These new processes and procedures will further help in proactively identifying situations that may fall under the ADA and beginning the interactive accommodation dialogue with employees.

4. **HRSC website** - Work continued on streamlining recruitment and hiring within OA in 2013. In an effort to provide a central hub for potential OA applicants, a new OA-HRSC website was created and rolled out in 2013. The new HRSC website provides, for the first time, one place where applicants can find OA vacancies that we are recruiting for. This has helped to reduce confusion amongst applicants on where to find OA job vacancies. In addition, the website serves as an informational hub for potential applicants relating to upcoming recruiting activities, benefits and total compensation. It also offers links to the State of Missouri EASe application system. The website also ensures that vacancies are shared with the Office of Equal Opportunity, Division of Personnel and the Missouri Department of Labor allowing OA to reach more applicants.

5. **Recruitment** - In an effort to proactively recruit and retain an increasingly sought after workforce, a position was revamped to focus on recruitment in 2012. While initial recruitment efforts focused primarily on our ITSD and Facilities Management, Design and Construction Divisions, our recruitment efforts expanded in 2013. The recruitment program includes continuous interaction with college and university administration, key faculty, career services staff, student associations, and students regarding pertinent announcements, upcoming events/activities and job opportunities. Numerous meetings have been hosted and attended in an effort to cultivate these partnerships. Other strategic partnerships (many a collaborative effort between public and private businesses/employers and educational institutions) continue to enhance OA's recruitment plan. Staff attended numerous college and community career fairs to network with potential applicants and increase visibility, while simultaneously gaining an expanded portfolio of applications. In addition, OA has hosted and participated in similar recruiting events such as Meet n' Greets, advisory board and curriculum round table meetings, campus activities such as resume reviews, information sessions and on-campus informational interviews. Since January 1, 2013, OA has participated in nearly 100 recruiting events and meetings.

We are very pleased that our efforts in this area have not only helped us recruit new talent to OA, but have also

AARON HART

Director

OVERVIEW

The Human Resources Service Center (HRSC) is responsible for human resources management and payroll for the Office of Administration. The Center is housed within the Office of Administration (OA) Division of Personnel and assists management and employees in many areas including, but not limited to; payroll questions, policies, classifications, hiring, dismissals, employee benefits, pay administration, grievances, SAM II data warehouse queries, discipline, investigations and timekeeping. In addition, HRSC houses three state operators who provide responses to questions from the general public regarding state government services.

earned the Office of Administration the 2013 Employer of the Year Award from the Missouri Association of Career Services.

6. **OA-DOC Deconsolidation** - HRSC partnered with the Division of Facilities Management, Design and Construction through the OA-DOC Deconsolidation process. This Deconsolidation involved transferring 240 positions back to the Department of Corrections along with all of the employees' personnel documentation.

7. **Timekeeping System for OA** - During 2013 the majority of the Office of Administration was moved to the ETA (Enterprise Timekeeping Application). Having the majority of OA on one timekeeping system has helped to create efficiencies in the auditing of timekeeping records. As of 10/1/2013, the only division left to incorporate into ETA is Facilities Management Design and Construction. In addition, efforts will continue to shift non-Division entities such as MOPERM, Children's Trust Fund, Office of Child Advocate, and Governor's Council on Disability to ETA.

8. **ITSD Careers Website** - The IT-careers webpage was updated and enhanced to project a more modern and significant hub of prospective IT careers/job information, as well as information about the hiring process. This website, as well as the HRSC website, were the first to use new technology allowing HRSC to update the website rather than ITSD.

9. **State Operators** - Responded to more than 50,000 citizen phone calls during the year. They also set up 8,900 conference calls for state office holders and Departments.

"We are very pleased that our efforts in the area of recruitment have not only helped us recruit new talent to OA, but have also earned the Office of Administration the 2013 Employer of the Year Award from the Missouri Association of Career Services."

CHALLENGES:

1. **Automation of HRSC forms** - Currently, OA has a paper form that is routed from the divisions to the Commissioner's Office for the approval of any personnel change that involves pay. This form is filled out by the divisions, routed through HR to the Commissioner for approval and then back to HR to enter into the payroll system. Automation of this process will reduce staff time and eliminate inefficiencies in the transaction process. In addition, the need exists for many HR forms to be reformatted into fillable PDF's online.

2. **Recruitment** - In the area of recruitment, the Office of Administration is still finding there are challenges in obtaining a highly-qualified workforce. Some of the factors that are contributing to this challenge are a lack of supply of graduating students and/or pool of viable candidates in certain fields (i.e. CIS programming; trades such as carpenters, engineers, etc.); the economy improving and thus increasing competition for candidates; State of Missouri government low salaries in comparison to private industry; and money for continuing education and professional development; and confusion about the state application process. To assist in building a pipeline of potential new full-time hires, a formal OA internship program has been developed. The internships will include paid positions across various OA divisions. The adoption of this internship program will be another tool to help in the recruitment of talent to OA.

3. **Manager/Supervisor Training** - Although time was dedicated to training on ADA and FMLA in 2013, many new initiatives are currently underway within the HRSC. As a result of these initiatives, many HR processes are changing. It is imperative that supervisors continue to be trained and kept up-to-date in areas including interviewing, reference checks, disciplinary issues, performance appraisals, FMLA and ADA requests. HRSC has recently recruited for and filled a position in the unit whereby putting staffing levels at the point where more time can be dedicated to training on HR topics. This will further allow HRSC to proactively address trending items.

4. **FMLA** - HRSC continues to improve and update its FMLA procedures. These updates will streamline the process for management and employees.

5. **HRSC Intranet Site** - Currently the HRSC has many employee forms on the OA intranet site but they are located on the main page. The creation of a link to a HRSC intranet site will make it easier for employees to find HR forms and information.

6. **Office of Administration New Employee Orientation** - The implementation of a new employee orientation will provide consistency in information presented to new OA employees. Currently each Division provides their new employee with an orientation but it has been identified that a need exists for an overall OA orientation. An online OA employee manual will provide a document that employees can reference as needed.

7. **Review of Office of Administration Policies** - Work continues on the remainder of OA's policies that have not been reviewed and/or updated. Many of these policies have not been updated in some time.

8. **State Operators** - Populating the state operator's phone number database continues to be a challenge. We are currently working on ideas to replace this manual process.

State Employee Recognition Day

MISSOURI OFFICE
OF ADMINISTRATION

STATE CAPITOL, ROOM 125
JEFFERSON CITY, MO 65102
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